

**KITSAP COUNTY FIRE PROTECTION DISTRICT NO. 7**  
**Kitsap County, Washington**  
**January 1, 1991 Through December 31, 1993**

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**Schedule Of Findings**

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1. The District Should Improve Internal Controls Over Billing And Receipting

Kitsap County Fire Protection District No. 7 bills all patients transported by its ambulances. The district deposited approximately \$1,700,000 in ambulance billings between 1991 and 1994.

We noted the following internal control weaknesses in the district's ambulance billing and its cash receipting system:

- a. We tested the records for 23 ambulance billings. Of these, two were billed for services the district did not provide and one was incorrectly billed.
- b. Of the 23 ambulance billings, six showed no payment received even though four months had elapsed since the services were provided. All but one of the remaining 17 billings were traced to subsequent deposits with the county treasurer. As noted below, the district did not always make timely deposits. We found that deposits sometimes occurred months after receipt of payment.
- c. Receipts were not written for every transaction. In-lieu-of a receipt, a photo copy of the checks and currency would be taken and filed to support the deposits made. This process does not provide any internal accounting control.
- d. Deposits were not always made intact. We noted three unendorsed, stale-dated checks 8 to 14 months old. In addition, during our surprise cash count, the receipts prepared for deposit included many checks dated the previous two months and did not include all of the receipts on hand.

RCW 43.09.200 requires that:

The accounts shall show the receipt, use and disposition of all public property, and the income if any, derived therefrom; all sources of public income, and the amounts due and received from each source; all receipts, vouchers, and other documents kept, or required to be kept, necessary to isolate and prove the validity of every transaction . . . .

Because of inadequate controls, errors and irregularities occurred in this billing and receipting system and were not detected by management in a timely manner. In addition, we were unable to confirm that all ambulance billings were correctly billed and receipted.

We recommend the district improve internal controls over ambulance billing and receipting to ensure that patients are billed correctly and revenues are properly receipted.